



March 27, 2007

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## ENGROSSED SENATE BILL No. 193

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DIGEST OF SB 193 (Updated March 22, 2007 6:56 pm - DI 77)

**Citations Affected:** Noncode.

**Synopsis:** Comprehensive care bed and hospital moratorium. Extends the moratorium on new comprehensive care beds until June 30, 2008. Establishes a joint notification requirement for a health facility seeking to decertify a replacement bed and another health facility's request for certification of a replacement bed. Adds exemptions from the comprehensive care bed moratorium. Prohibits a hospital from adding or constructing new facilities until June 30, 2008. Establishes an exception for hospitals under development. Requires the health finance commission to study certain issues concerning hospitals.

**Effective:** Upon passage.

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**Miller, Rogers**

(HOUSE SPONSORS — BROWN C, BROWN T)

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January 8, 2007, read first time and referred to Committee on Health and Provider Services.

February 1, 2007, amended, reported favorably — Do Pass.

February 20, 2007, read second time, amended, ordered engrossed.

February 21, 2007, engrossed.

February 22, 2007, read third time, passed. Yeas 31, nays 18.

HOUSE ACTION

February 27, 2007, read first time and referred to Committee on Public Health.

March 26, 2007, amended, reported — Do Pass.

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ES 193—LS 6483/DI 104+



March 27, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 193

A BILL FOR AN ACT concerning health.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. P.L.96-2006, SECTION 2, IS AMENDED TO READ  
2 AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 2. (a) As  
3 used in this SECTION, "comprehensive care bed" means a bed that:

- 4 (1) is licensed or is to be licensed under IC 16-28-2;  
5 (2) functions as a bed licensed under IC 16-28-2; or  
6 (3) is subject to IC 16-28.

7 The term does not include a comprehensive care bed that will be used  
8 solely to provide specialized services and that is subject to IC 16-29.

9 (b) As used in this SECTION, "replacement bed" means a  
10 comprehensive care bed that is certified:

- 11 (1) during the same calendar quarter that an existing  
12 comprehensive care bed is decertified; however, if the  
13 existing comprehensive care bed is not decertified, the  
14 certification for the replacement bed expires at the end of  
15 the calendar quarter during which certification was  
16 granted;  
17 (2) during the calendar quarter before the calendar  
18 quarter that an existing comprehensive care bed is

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1           decertified; however, if the existing comprehensive care  
 2           bed is not decertified, the certification of the replacement  
 3           bed expires at the end of the first calendar quarter after it  
 4           was certified; or

5           (3) during the quarter after the existing comprehensive  
 6           care bed is decertified.

7           **The health facility seeking certification of replacement beds and**  
 8           **the health facility intending to decertify beds shall jointly notify the**  
 9           **state department of any transaction involving replacement beds on**  
 10           **or before a health facility's request for certification of a**  
 11           **replacement bed.**

12           ~~(b)~~ (c) This SECTION does not apply to the following:

13           (1) A hospital licensed under IC 16-21-2 that in accordance with  
 14           IC 16-29-3-1, as amended by this act, converts not more than:

15           (A) thirty (30) acute care beds to skilled care comprehensive  
 16           long term care beds; and

17           (B) an additional twenty (20) acute care beds to either  
 18           intermediate care comprehensive long term care beds or  
 19           skilled care comprehensive long term care beds;

20           that are to be certified for participation in a state or federal  
 21           reimbursement program, including a program under Title XVIII  
 22           of the Social Security Act (42 U.S.C. 1395 et seq.) or the state  
 23           Medicaid program, if those beds will function essentially as beds  
 24           licensed under IC 16-28.

25           (2) A health facility licensed or to be licensed under IC 16-28 that  
 26           is under development on June 30, 2006, to add, construct, or  
 27           convert comprehensive care beds. In determining whether a  
 28           health facility is under development on June 30, 2006, the state  
 29           department shall consider:

30           (A) whether:

31           (i) architectural plans have been completed;

32           (ii) funding has been received;

33           (iii) zoning requirements have been met; and

34           (iv) construction plans for the project have been approved  
 35           by the state department and the division of fire and building  
 36           safety; and

37           (B) any other evidence that the state department determines is  
 38           an indication that the health facility is under development.

39           **(3) A health facility that is licensed or is to be licensed under**  
 40           **IC 16-28 and that adds, constructs, or converts a**  
 41           **comprehensive care bed that is a replacement bed for an**  
 42           **existing comprehensive care bed.**

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(4) A health facility that is licensed or is to be licensed under IC 16-28 and that applies to certify a comprehensive care bed for participation in a state reimbursement program, if the bed for which the health facility is seeking certification is a replacement bed for an existing certified comprehensive care bed.

(5) A continuing care retirement community required to file a disclosure statement under IC 23-2-4.

(6) One (1) health facility that is licensed or is to be licensed under IC 16-28 and that meets the following conditions:

(A) The health facility will add or construct not more than a total of twenty (20) comprehensive care beds.

(B) The director of the division of aging has determined that the health facility will provide an innovative and unique approach to the delivery of comprehensive care that incorporates residential accommodations in a small group setting offering a person centered culture.

(7) A hospital that is licensed or is to be licensed under IC 16-21 that is under development on June 30, 2006, to add or construct new facilities. In determining whether a hospital is under development on June 30, 2006, the state department shall consider:

(A) whether:

(i) architectural plans have been completed;

(ii) funding has been received;

(iii) zoning requirements have been met; and

(iv) construction plans for the project have been approved by the state department and the division of fire and building safety; and

(B) any other evidence that the state department determines is an indication that the hospital is under development.

~~(c)~~ (d) Comprehensive care beds may not be added or constructed in Indiana.

~~(d)~~ (e) Residential beds licensed under IC 16-28-2 and unlicensed beds may not be converted to comprehensive care beds.

~~(e)~~ (f) The Indiana health facilities council may not recommend and the state department of health may not approve the certification of new or converted comprehensive care beds for participation in a state reimbursement program, including the state Medicaid program.

(g) A hospital licensed or to be licensed under IC 16-21 may not add or construct new facilities.

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(f) (h) This SECTION expires ~~June 30, 2007~~. **June 30, 2008.**

SECTION 2. [EFFECTIVE UPON PASSAGE] (a) The health finance commission shall study the following topics:

(1) Whether hospitals, including specialty hospitals, should be placed under a moratorium from adding or constructing new facilities.

(2) Whether specialty hospitals should be restricted from presenting their facilities to the public as a hospital.

(3) Whether the definition of the term "hospital" under IC 16-18-2-179 should be amended to include or exclude certain specialty health facilities.

(b) The health finance commission shall issue its recommendations concerning the topics studied under subsection (a) before November 1, 2007.

(c) This SECTION expires December 31, 2007.

SECTION 3. [EFFECTIVE UPON PASSAGE] 405 IAC 5-4-4 is void. The publisher of the Indiana Administrative Code and Indiana Register shall remove this section from the Indiana Administrative Code.

SECTION 4. An emergency is declared for this act.

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## SENATE MOTION

Madam President: I move that Senator Rogers be added as second author of Senate Bill 193.

MILLER

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 COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 193, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 17 and 18, begin a new line block indented and insert:

**"(3) A health facility that is licensed or is to be licensed under IC 16-28 and that adds, constructs, or converts a comprehensive care bed that is a replacement bed for an existing comprehensive care bed.**

**(4) A health facility that is licensed or is to be licensed under IC 16-28 and that applies to certify a comprehensive care bed for participation in a state reimbursement program, if the bed for which the health facility is seeking certification is a replacement bed for an existing certified comprehensive care bed."**

and when so amended that said bill do pass.

(Reference is to SB 193 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

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 SENATE MOTION

Madam President: I move that Senate Bill 193 be amended to read as follows:

Page 2, between lines 36 and 37, begin a new paragraph and insert:

**"SECTION 2. [EFFECTIVE UPON PASSAGE] 405 IAC 5-4-4 is void. The publisher of the Indiana Administrative Code and**

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**Indiana Register shall remove this section from the Indiana Administrative Code."**

Renumber all SECTIONS consecutively.

(Reference is to SB 193 as printed February 2, 2007.)

MILLER

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SENATE MOTION

Madam President: I move that Senate Bill 193 be amended to read as follows:

Page 2, between lines 27 and 28, begin a new line block indented and insert:

**"(5) A continuing care retirement community required to file a disclosure statement under IC 23-2-4."**

(Reference is to SB 193 as printed February 2, 2007.)

KENLEY

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 193, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 8 and 9, begin a new paragraph and insert:

**"(b) As used in this SECTION, "replacement bed" means a comprehensive care bed that is certified:**

**(1) during the same calendar quarter that an existing comprehensive care bed is decertified; however, if the existing comprehensive care bed is not decertified, the certification for the replacement bed expires at the end of the calendar quarter during which certification was granted;**

**(2) during the calendar quarter before the calendar quarter that an existing comprehensive care bed is decertified; however, if the existing comprehensive care bed is not decertified, the certification of the replacement bed expires at the end of the first calendar quarter after it**

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was certified; or

(3) during the quarter after the existing comprehensive care bed is decertified.

The health facility seeking certification of replacement beds and the health facility intending to decertify beds shall jointly notify the state department of any transaction involving replacement beds on or before a health facility's request for certification of a replacement bed."

Page 1, line 9, strike "(b)" and insert "(c)".

Page 2, between lines 29 and 30, begin a new line block indented and insert:

**"(6) One (1) health facility that is licensed or is to be licensed under IC 16-28 and that meets the following conditions:**

**(A) The health facility will add or construct not more than a total of twenty (20) comprehensive care beds.**

**(B) The director of the division of aging has determined that the health facility will provide an innovative and unique approach to the delivery of comprehensive care that incorporates residential accommodations in a small group setting offering a person centered culture.**

**(7) A hospital that is licensed or is to be licensed under IC 16-21 that is under development on June 30, 2006, to add or construct new facilities. In determining whether a hospital is under development on June 30, 2006, the state department shall consider:**

**(A) whether:**

**(i) architectural plans have been completed;**

**(ii) funding has been received;**

**(iii) zoning requirements have been met; and**

**(iv) construction plans for the project have been approved by the state department and the division of fire and building safety; and**

**(B) any other evidence that the state department determines is an indication that the hospital is under development."**

Page 2, line 30, strike "(c)" and insert "(d)".

Page 2, line 32, strike "(d)" and insert "(e)".

Page 2, line 34, strike "(e)" and insert "(f)".

Page 2, between lines 37 and 38, begin a new paragraph and insert:

**"(g) A hospital licensed or to be licensed under IC 16-21 may not add or construct new facilities."**

Page 2, line 38, strike "(f)" and insert "(h)".

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Page 2, between lines 38 and 39, begin a new paragraph and insert:  
**"SECTION 2. [EFFECTIVE UPON PASSAGE] (a) The health finance commission shall study the following topics:**

**(1) Whether hospitals, including specialty hospitals, should be placed under a moratorium from adding or constructing new facilities.**

**(2) Whether specialty hospitals should be restricted from presenting their facilities to the public as a hospital.**

**(3) Whether the definition of the term "hospital" under IC 16-18-2-179 should be amended to include or exclude certain specialty health facilities.**

**(b) The health finance commission shall issue its recommendations concerning the topics studied under subsection (a) before November 1, 2007.**

**(c) This SECTION expires December 31, 2007."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 193 as reprinted February 21, 2007.)

BROWN C, Chair

Committee Vote: yeas 7, nays 3.

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